

Message Text

LIMITED OFFICIAL USE

PAGE 01 GEORGE 00086 201230Z

53

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 L-02 H-01

PM-03 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06

PRS-01 TAR-01 COME-00 FRB-03 XMB-02 OPIC-03 LAB-04

SIL-01 NIC-01 /098 W

----- 093741

R 171755Z JAN 75

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 781

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY BERLIN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

LIMITED OFFICIAL USE GEORGETOWN 0086

E.O. 11652: N/A

TAGS: ETRD, EALR, GE, GY

SUBJECT: GOG PURCHASES OF EQUIPMENTFROM GERMAN DEMOCRATIC REPUBLIC

REF: GEORGETOWN'S A-113 OF 11/14/74

1. ECONOFF OBTAINED LIST OF EQUIPMENT WHICH GOG WILL SOON RECEIVE FROM GDR. SOURCE OF INFORMATION IS LOCAL BUSINESSMAN WITH DIRECT INTEEST IN SALE OF SIMILAR EQUIPMENT. ITEMS OF SIGNIFICANCE INCLUDE (WITH QUANTITIES IN PARENTHESIS): DRAGLINES (24), EXCAVATORS (25), VIBRATORS (58), THREE-TON FORKLIFTS (20), WATER PUMPS (57) TRUCKS (101), TRAILERS (16), AND LATHES (11). SOURCE STATED THAT TERMS OF CREDIT ARE TWENTY YEARS AT FOUR PERCENT, ALTHOUGH HE ADDED THAT THIS CREDIT INFORMATION BASED ON HEARSAY.

2. IN RELATED DEVELOPMENT, GDR TRADE REPS ARRIVED GEORGETOWN JAN 11, AT LEAST TWO OF GROUP WILL REMAIN HERE TO ASSEMBLE EQUIPMENT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GEORGE 00086 201230Z

AND TRAIN LOCAL PERSONNEL. FIRST SHIPMENT DUE TO ARRIVE TODAY

(JAN 17). GOG AND GDR SPOKESMEN HAVE BEEN UNWILLING TO STATE PRICE OR TERMS OF TRADE DEAL,

3. COMMENT- THIS SIGNIFICANT TRADE DIVERSION WILL HAVE NEGATIVE IMPACT ON US AND UK EXPORT POTENTIAL VIS-A-VIS GUYANA, ESPECIALLY IF GOG BEGINS TO RATIONALIZE ITS HEAVY EQUIPMENT INVENTORY TOWARD METRIC STANDARD. LARGE INFUX OF GDR EQUIPMENT (IN ADDITION TO PRC TRUCKS, JEEPS, AND TRACTORS) FOR ROAD BUILDING PURPOSES DOES NOT RPT NOT TOTALLY RULE OUT OPPORTUNITIES FOR US TO SUPPLY HEAVY EQUIPMENT FOR UPPER MAZARUNI ROAD PROJECT, BUT OUR TRADE PROMOTION EFFORT WILL OPERATE UNDER HEAVY CONSTRAINTS. MAJOR STUMBLING BLOCK IS PRIME MINISTER BURNHAM'S CAMPAIGN TO SEEK SUCH SUPPLIES FROM SOCIALIST BLOC AND (WHEN POSSIBLE) THIRD WORLD COUNTRIES REGARDLESS OF ECONOMIC ARGUMENTS TO THE CONTRARY. IN RECENT ADDRESS, BURNHAM WENT SO FAR AS TO CHARACTERIZE COMMERCIAL OFFICERS OF WESTERN EMBASSIES IN GUYANA AS AGENTS OF INFLUENCE TRYING TO BRAINWASH GOG OFFICIALS AND AIMING AT KEEPING THE GUYANSE INFERIOR. WORRISOME ASPECT OF BURNHAM'S CONTINUED RHETORIC IN THIS GAME IS ABSENCE OF ARGUMENTS FOR DIVERSION BASED ON PRICE, CREDIT TERMS, QUALITY OF MERCHANDISE, ETC.

4. IF GOG DOES INDEED TAKE OVER ALL IMPORT BUSINESS AS BURNHAM PROMISED IN RECENT PNC SPEECH, (GEORGETOWN 2206) WIDER SALES OF US PRODUCTS TO GUYANA ARE LIKELY TO BE ONLY IN THOSE AREAS WHERE GOG UNABLE TO OBTAIN GOODS ELSEWHERE. IN THIS EVENT, EMBASSY WILL BE FORCED TO CONCLUDE THAT GOG DOES DISCRIMINATE AGAINST US (AS WELL AS UK- AND OTHER WESTERN TRADITIONAL SUPPLIERS). THOUGH THIS MAY NOT OCCUR, WE WOULD APPRECIATE DEPT'S ADVANCE OPINION ON WHETHER A NON-TARIFF BARRIER IS IMPOSED WHEN A CHIEF OF STATE PUBLICLY (AND PRIVATELY) WARNS OFFICIALS OF HIS GOVT AGAINST BEING INFLUENCED BY COMMERCIAL REPS OF CERTAIN NATIONS INCLUDING U.S. AND IF U.S. SHARE OF IMPORTS THEN SLUMPS? SUCH ACTION WOULD APPEAR TO VIOLATE THE SPIRIT OF ARTICLE XIII OF THE GATT.

5. EMBASSY POUCHING COMPLETE LIST OF GOG PURCHASES.
KREBS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION EQUIPMENT, PROCUREMENT, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GEORGE00086
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750021-0199
From: GEORGETOWN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750143/aaaablpe.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 GEORGETOWN'S A-113, 75 OF 11/14/74
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAY 2003 by SmithRJ>; APPROVED <30 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOG PURCHASES OF EQUIPMENTFROM GERMAN DEMOCRATIC REPUBLIC
TAGS: ETRD, EALR, GC, GY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006